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**Poverty in Canada: 1980 Preliminary
Statistics**

**national council
of welfare**



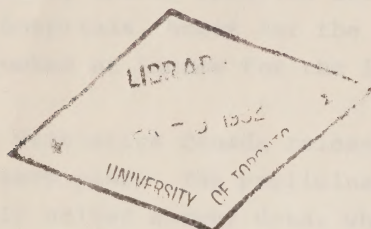
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POVERTY IN CANADA

1980 preliminary statistics

January, 1982



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Every year Statistics Canada conducts a household survey of families and single persons to obtain information on the distribution of income as well as the nature and extent of poverty in Canada. The latest survey, conducted in May 1981, sampled approximately 17,000 private households from all parts of the country except for the Yukon and Northwest Territories, Indian reserves and institutions (prisons, mental hospitals, homes for the elderly, and so on). The study looked at income for the 1980 calendar year.

Statistics Canada releases its findings in two stages each year. The preliminary results are based on partially edited survey data, while the final revised version presents a more accurate and comprehensive picture of the incomes of Canadians. The statistics presented below are taken from Statistics Canada's Income distributions by size in Canada: Preliminary estimates, 1980 (Ottawa: Minister of Supply and Services Canada, September 1981). The final figures on poverty and income for 1980 will be available in the spring of 1982.

Poverty Lines

Data on the low-income population are calculated using Statistics Canada's low income cut-offs, which vary according to family and community size. Table 1 shows the low income cut-offs for 1980. While Statistics Canada does not present its low income cut-offs as official poverty lines, the National Council of Welfare follows common practice in using them as poverty lines. (For an explanation of the low income cut-offs and two alternative sets of poverty lines, see the National Council of Welfare's pamphlet Measuring poverty: 1981 poverty lines).

The General Picture

In 1980 an estimated 639,000 Canadian families were poor. In percentage terms this represents 10.4% of all families (639,000 out of a total 6,122,000). In other words one in every ten families lived in poverty at last count. ✓

The risk of poverty is three times as great for single persons as it is for families. Approximately 826,000 single persons - 31.4% of all single Canadians - were poor in 1980.

Adding together families and single persons, close to 1.5 million households in Canada live below the poverty line. The preliminary estimates do not show the total number of persons in these 1.5 million family units. However in 1979 2.8 million persons - 12.4% of the population - lived in poor households. The number of low-income families and single persons increased from 1979 to 1980 (from 628,000 to 639,000 families and 809,000 to 826,000 single persons), so it can be safely predicted that close to 3 million men, women and children were poor in 1980.

The Risk of Poverty: Families

Overall ten percent of Canadian families are poor. However a family's chances of falling below the poverty line vary according to such factors as where it lives, its head's sex, age and labor force status, and the number of children it supports.

The Atlantic provinces and Quebec have above-average rates of family poverty (13.8% and 13% respectively), while British Columbia's figure of 6.8% places it lowest on the regional list. The risk of poverty in communities of different size does not vary greatly (it is generally in the 10% to 11% range), though families living in medium-sized cities (30,000 - 99,999) face higher odds (15%) while those in larger cities (100,000 - 499,999) are least apt to be poor (8.5%).

Families headed by women are much more vulnerable to poverty than those with male heads. An astonishing 41.5% of all female-lead families are below the poverty line. The risk of poverty for families headed by women is six times that for men. Poverty is also more prevalent among families headed by young persons (aged 24 and under) - close to one in five are poor. Families whose heads are not in the labor force are four times more likely to be poor than those headed by persons in the labor force.

The incidence of poverty also varies according to family size. The poverty rate ranges from 8.1% for families with four persons to 11.8% for those with three members. Families with four or more children under the age of sixteen run double the risk of poverty as those with fewer children; the poverty rate is 26.1% for large families as opposed to 13.8% for those with three children and 12.4% for families with one or two children.

The Risk of Poverty: Single Persons

Three out of every ten single Canadians live in poverty. As is the case with families, certain characteristics

- a person's age, sex, or place of residence - help predict his chances of being poor.

Single persons in Quebec and Atlantic Canada face a substantially greater risk of poverty than their counterparts in the other provinces. However even in Ontario, the province with the lowest rate, over 27% of single persons are poor. Single persons living in medium-sized cities (30,000-99,999) encounter greater odds of being poor than those living in both smaller and larger communities.

Single women are more likely to be poor than single men. However the difference between their poverty rates - 38.1% for women, 22.9% for men - is not as large as it is for women and men who head families (41.5% and 7.0% respectively). As far as age is concerned, poverty hits young and old single persons more often than those in other age groups. Almost half of single persons over the age of seventy are poor, while one in three under the age of 24 number among Canada's poor. Single persons who are not in the labor force are as likely to be poor as not; their poverty rate is 53.8% - the highest for any single category included in the Statistics Canada data.

The Distribution of Poverty: Families

The previous section examined the risks of poverty for families and single persons. The distribution of poverty - the percentage of low-income family units within each category - provides another useful perspective on poverty in Canada.

Table 4 gives the distribution of poor and non-poor families within the categories listed earlier. A comparison of the figures for poor and non-poor families tells whether low-income families are underrepresented or overrepresented within each category. The percentage distribution figures also show where poor families are concentrated within different regions, age groups and other categories.

Over 63% of poor families live in Ontario and Quebec. A disproportionately high number of low-income families live in the Atlantic provinces; they have 11.7% of Canada's poor families but only 8.5% of non-poor families. So too does Quebec have a larger proportion of poor families than non-poor families. Low-income families are only slightly overrepresented in the Prairies. On the other hand poor families are underrepresented in Ontario and British Columbia.

Almost half of Canada's low-income families live in larger cities and metropolitan areas (centers with 100,000 or more residents) and more than one in five live in rural areas. In comparison to non-poor families, poor households are underrepresented in larger urban centers and over-represented in small and medium-sized cities (15,000 - 99,999) as well as rural areas.

Although three in five low-income families have male heads, the proportion of female heads is six times greater among poor as non-poor households (39.7% versus 6.5%). As far as head's age is concerned, those under

the age of 24 are over-concentrated among poor families and those in the 45 to 54 'prime earning years' are underrepresented. However the differences between poor and non-poor families for the other age groups are slight. Just over half of low-income families are headed by a man or woman in the labor force, in contrast to 84% of non-poor families, while poor family heads who are not in the labor force outnumber non-poor family heads who do not work by three to one.

Two-person families are the largest size group within both poor and non-poor households. Smaller families (those with two or three members) are more common among low-income Canadians while larger families are underrepresented. Over half of non-poor families have no children; the percentage for poor families is substantially lower - 38.5%. Whatever the number of children, poor families outweigh non-poor families in percentage terms.

The Distribution of Poverty: Single Persons

Table 5 compares poor and non-poor single persons according to various characteristics.

Six in every ten low-income single Canadians live in Ontario or Quebec - almost exactly the same percentage as their non-poor counterparts. Poor single persons are overrepresented in the Atlantic provinces and Quebec and underrepresented in Ontario and in the Prairies. The proportion of poor single persons in British Columbia matches the province's share of non-poor singles.

Almost 60% of low-income single Canadians live in larger cities and metropolitan areas, but this figure is four percentage points lower than that for non-poor singles. Low-income singles are overrepresented in small and medium-sized cities and towns and underrepresented both in larger urban centers and, at the other end of the spectrum, rural areas.

Poverty among single persons is overwhelmingly a female problem. Two in every three poor single Canadians are women, whereas women make up just slightly over half of non-poor singles. Among the different age groups, poor single persons are overrepresented in the youngest category and among the older age groups (55 and over). As expected, poor single persons who are not in the labor force outnumber those who are (by over two to one), while the opposite is the case for non-poor singles (only 27% are not in the labor force, in contrast to 68% of poor singles).

The Distribution of Income

Table 6 divides both families and single persons into five equal groups and then compares the share of income going to each group in 1951 and 1980. Table 7 shows the income levels which correspond to each group (known as a "quintile" or fifth). Two features stand out: income is distributed in a highly unequal and regressive manner, and there has been little progress in redistributing income over the last thirty years.

Income is divided in a highly regressive manner: the higher the income group, the greater its share. Preliminary estimates for 1980 indicate that the bottom 20% of Canadian families has only 5.9% of total family income. The highest-income families, in contrast, enjoy 38.5% of total family income - six and a half times the poor group's share. The distribution of income among single persons is even more skewed: the top fifth took 45.5% of total income - eleven times the bottom group's share.

Nor has the unequal distribution of income lessened much over the years. To the contrary, in some respects it has become even more unequal. In 1951 the lowest-income group of families had 6.1% of family income; in 1980 their share was slightly less (5.9%). Middle and upper middle-income families increased their share of income somewhat between 1951 and 1980. The top income group saw a modest decline in its share of income, though at 38.5% in 1980 it still far exceeds the shares of other groups. The distribution of income among single persons has become slightly less regressive since 1951, but it is still more unequally apportioned than is family income.

Average Income

Average family income increased by 9.8% from \$24,245 in 1979 to \$26,610 in 1980. However the cost of living went up by 10.1% between 1979 and 1980, so in real terms average family income declined slightly. Single persons averaged \$11,245 in 1980, or 8.4% more than the 1979 figure of \$10,375. Therefore the average real income of single Canadians slipped by 1.6% in 1980.

The preliminary estimates do not give a breakdown of average incomes for family heads and single persons according to sex, but there are figures for all family units (i.e. families and single persons together). Households headed by men had an average income of \$25,464 in 1980 - more than double the \$10,860 average income of female-headed family units. The average income of males 15 years and older who received some money income in 1980 was \$16,659, while women averaged only \$8,101.

TABLE 1

STATISTICS CANADA LOW-INCOME CUT-OFFS

FOR 1980

Size of Area of Residence

Family Size	500,000 and over	Size of Area of Residence			Rural
		100,000 - 499,999	30,000 - 99,999	less than 30,000	
1	\$ 5,822	\$ 5,450	\$ 5,293	\$ 4,868	\$ 4,231
2	8,438	7,902	7,674	7,057	6,140
3	10,767	10,085	9,788	9,008	7,833
4	12,807	11,992	11,640	10,711	9,312
5	14,316	13,402	13,014	11,976	10,413
6	15,716	14,714	14,287	13,145	11,428
7 or more	17,232	16,130	15,664	14,409	12,530

TABLE 2

INCIDENCE OF POVERTY AMONG CANADIAN FAMILIES,
BY SELECTED CHARACTERISTICS, 1980

	Poor families as a percentage of all families ¹	Number of poor families ²
<u>All families</u>	10.4%	639,000
<u>Region</u>		
Atlantic	13.8	74,800
Quebec	13.0	210,900
Ontario	8.7	193,600
Prairies	10.9	113,100
British Columbia	6.8	46,000
<u>Community Size</u>		
500,000 and over	10.1	190,400
100,000 - 499,999	8.5	122,700
30,000 - 99,999	15.0	70,900
15,000 - 29,999	11.4	45,400
small urban	10.1	69,700
rural	11.4	139,900
<u>Sex of Head</u>		
male	7.0	385,300
female	41.5	253,700

Poor families as
a percentage of
all families ¹

Number of
poor families ²

Age of Head

24 and under	19.3%	61,300
25 - 34	10.2	171,900
35 - 44	10.5	142,500
45 - 54	8.9	99,700
55 - 64	9.8	83,000
65 - 69	10.6	33,900
70 and over	10.3	46,000

Head's Employment
Status

in labor force	6.6	322,100
not in labor force	26.4	316,900

Size of Family

2	11.6	262,000
3	11.8	157,200
4	8.1	124,000
5 or more	9.6	95,800

Number of Children

none	7.9	246,000
1	12.4	155,300
2	12.4	154,700
3	13.8	54,300
4 or more	26.1	28,700

NOTE

1. Figures in the first column show low-income families as a percentage of all families in any given category. For example, poor families represent 10.4% of all Canadian families; 13.8% of families in Atlantic Canada are poor; 10.1% of all families living in metropolitan areas are poor.

2. Figures in the second column show the number of low-income families in any given category. For example, there are 639,000 poor families in Canada, 74,800 in Atlantic Canada, and 190,400 in metropolitan areas.

TABLE 3

INCIDENCE OF POVERTY AMONG SINGLE PERSONS,
BY SELECTED CHARACTERISTICS, 1980

	Poor singles as a percentage of all single persons ¹	Number of poor single persons ²
<u>All single persons</u>	31.4%	826,000
<u>Region</u>		
Atlantic	35.6	67,700
Quebec	37.3	232,100
Ontario	27.7	261,000
Prairies	29.4	147,900
British Columbia	31.4	117,300
<u>Community Size</u>		
500,000 and over	30.9	283,300
100,000 - 499,999	28.9	211,500
30,000 - 99,999	41.7	101,600
15,000 - 29,999	32.1	48,700
small urban	37.6	114,800
rural	23.5	66,100
<u>Sex</u>		
male	22.9	266,000
female	38.1	560,000

	Poor singles as a percentage of all single persons ¹	Number of poor single persons ²
<u>Age</u>		
24 and under	34.3%	182,500
25 - 34	15.6	91,700
35 - 44	18.2	40,500
45 - 54	24.3	53,700
55 - 64	39.4	118,900
65 - 69	34.6	76,000
70 and over	48.1	162,700
<u>Employment Status</u>		
in labor force	16.7	265,100
not in labor force	53.8	560,900

NOTE

1. Figures in the first column show low-income single persons as a percentage of all single persons in any given category. For example, poor single persons represent 31.4% of all single persons in Canada; poor single women make up 38.1% of all single women; 53.8% of all single persons not in the labor force are poor.
2. Figures in the second column show the number of low-income single persons in any given category. For example, there are 826,000 poor single persons in Canada, 560,000 poor single women, and 560,900 poor single persons not in the labor force.

TABLE 4

PERCENTAGE DISTRIBUTION OF POOR AND NON-POOR FAMILIES,
BY SELECTED CHARACTERISTICS, 1980

	<u>Poor families</u>	<u>Non-poor families</u>
<u>Estimated Numbers</u>	639,000	5,483,000
<u>Region</u>		
Atlantic	11.7%	8.5%
Quebec	33.0	25.8
Ontario	30.3	37.2
Prairies	17.7	16.9
British Columbia	7.2	11.5
Canada	100.0	100.0
<u>Community Size</u>		
500,000 and over	29.8	31.0
100,000 - 499,999	19.2	24.3
30,000 - 99,999	11.1	7.3
15,000 - 29,999	7.1	6.4
small urban areas	10.9	11.2
rural areas	21.9	19.7
all communities	100.0	100.0
<u>Sex of Head</u>		
male	60.3	93.5
female	39.7	6.5
total	100.0	100.0

	<u>Poor families</u>	<u>Non-poor families</u>
<u>Age of Head</u>		
24 and under	9.6%	4.7%
25 - 34	26.9	27.7
35 - 44	22.3	22.3
45 - 54	15.6	18.7
55 - 64	13.0	14.0
65 - 69	5.3	5.2
70 and over	7.2	7.4
all ages	100.0	100.0

Head's Employment Status

in labor force	50.4	83.8
not in labor force	49.6	16.2
total	100.0	100.0

Size of Family

2	41.0	36.5
3	24.6	21.4
4	19.4	25.6
5 or more	15.0	16.5
all sizes	100.0	100.0

Number of Children

none	38.5	52.3
1	24.3	20.0
2	24.2	20.0
3	8.5	6.2
4 or more	4.5	1.5
all families	100.0	100.0

	<u>Poor</u>	<u>Non-Poor</u>
<u>Age</u>		
24 and under	22.1%	19.3%
25 - 34	11.1	27.5
35 - 44	4.9	10.1
45 - 54	6.5	9.3
55 - 64	14.4	10.1
65 - 69	9.2	8.0
70 and over	31.8	15.7
all ages	100.0	100.0

Employment Status

in labor force	32.1	73.3
not in labor force	67.9	26.7
total	100.0	100.0

TABLE 6

SHARES OF TOTAL INCOME, BY INCOME QUINTILE,¹
1951 AND 1980

	<u>Families</u>		<u>Single Persons</u>	
	<u>1951</u>	<u>1980</u>	<u>1951</u>	<u>1980</u>
Lowest quintile	6.1%	5.9%	2.7%	4.1%
Second quintile	12.9	12.9	8.9	9.2
Middle quintile	17.4	18.5	16.1	15.4
Fourth quintile	22.4	24.3	25.8	25.8
Highest quintile	41.1	38.5	46.6	45.5
Total	100.0	100.0	100.0	100.0

1. "Quintile" means fifth; total income is divided into five equal groups (see Table 7 for corresponding income levels).

TABLE 7

UPPER LIMITS OF INCOME QUINTILES, 1980

	<u>Families</u>	<u>Single Persons</u>
Lowest quintile	\$12,803	\$ 4,344
Second quintile	20,994	6,356
Middle quintile	27,974	11,200
Fourth quintile	37,181	18,113

Note: Families in the lowest income quintile are those with incomes up to \$12,803; those in the second quintile have incomes between \$12,804 and \$20,994; those in the middle quintile have incomes between \$20,995 and \$27,974; and so on.

